



COUNCILMEMBER DONNA FRYE

City of San Diego
Sixth District

MEMORANDUM

DATE: May 4, 2009

TO: Councilmember Tony Young, Chair, Budget & Finance Committee

FROM: Councilmember Donna Frye

SUBJECT: Potential Cost Savings for Fiscal Year 2009-2010

For the purpose of discussion during the City Council's budget review process, below is a list of potential cost savings for the upcoming fiscal year:

Potential Cost Savings:

- **Retroactive Pension Benefits:** Explore options to reduce/eliminate costs associated with retroactive benefits (potential estimated savings to the unfunded liability: \$200 million +);
- **DROP:** Enforce program being revenue neutral;
- **Beach Kelp Removal:** Eliminate the program;
- **Redevelopment Agency Consolidation:** Tens of millions of dollars annually could be saved by consolidating CCDC and SEDC into the City Redevelopment Agency. According to the proposed FY10 CCDC budget alone -- \$159,548,000 -- more than triples that of the city agency, which, with \$46,765,000 budgeted for FY10, manages 17 redevelopment areas, including large ones such as Grantville and Crossroads. The city Redevelopment Agency has 29 staff positions budgeted for FY10, with personnel expenses of \$3,226,546. That staffing is far exceeded by CCDC, with 52.5 positions and \$6,424,000 in personnel costs budgeted for FY10. SEDC has 15.5 positions and \$1,452,600 in personnel expenses budgeted for FY10;
- **Contract renegotiation with Chargers, Padres and SDSU:** Renegotiate current contracts to realize full cost recovery for city services provided at events held at Qualcomm Stadium and Petco Park by the above entities;
- **Revenue Producing Services:** As discussed in last year's budget revision, explore adding revenue producing services (such as passport photos) at local library branches, eliminated with the closures of the Community Service Centers;
- **Purchase of Service Credits:** Amend Municipal Code to allow unclassified employees to adjust their prior Purchase of Service Credits to the current rate charged by SDCERS or reduce the amount of years purchased to reflect the current pricing levels.

cc: Honorable Mayor and City Councilmembers
Honorable City Attorney
Andrea Tevlin, Independent Budget Analyst